

MEMORANDUM OF UNDERSTANDING

between

PUBLIC EMPLOYEES UNION, LOCAL ONE

and

CITY OF PLEASANT HILL

SEPTEMBER 1, 2001 - AUGUST 31, 2006

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MEMORANDUM OF UNDERSTANDING
BETWEEN
PUBLIC EMPLOYEES UNION, LOCAL ONE
AND
CITY OF PLEASANT HILL

ARTICLE I
UNION RECOGNITION

Union Recognition and Deduction of Union Dues:

Pursuant to Government Code Section 3500 et seq and City Resolution No. 25-77 and No. 51-78, the City hereby recognizes Public Employees Union, Local One ("Union") as the bargaining representative for purposes of representing City employees in Unit "C" with respect to their pay, wages, hours and other terms and conditions of employment for the duration of this Agreement. The City shall deduct dues from City employees and remit said dues to the Union on a monthly basis for the duration of this agreement, which dues shall not include assessments.

Monthly dues deductions, additions and/or deletions shall be recorded by the City's Finance Officer and a notification of all dues transactions shall be immediately sent to the Union Business office.

Hold Harmless:

The Union shall hold the City harmless from any and all claims, and will indemnify the City against any unusual costs in implementing these provisions.

Maintenance of Membership Clause:

If employees, who are not presently members of the Union as of the effective date of this Agreement, decide to join the Union, they shall submit proper documentation to the City for dues deduction, and said membership shall be established for the duration of the Agreement. Employees who are current members of the Union shall remain members for the duration of this Agreement.

However, within thirty (30) calendar days prior to the expiration of the Agreement, all employees within the bargaining unit may have the opportunity to request to withdraw from the Union.

Discrimination Prohibited:

City and Union agree that they shall not discriminate in any

way on account of race, creed, religion, sex, national origin, political affiliation, age, or handicap. City agrees that no employee shall be discriminated against because of Union membership or residency.

ARTICLE II
UNION REPRESENTATION AND TIME OFF FOR REPRESENTATIVE DUTIES:

The Union shall designate employee representatives, in writing, at the beginning of the term of this Agreement for purposes of meeting with Management on terms and conditions of this Agreement or representing employees during the process of handling a grievance.

There shall be no more than two representatives for the employees in Bargaining Unit "C." Reasonable time off shall be allowed to meet with Management, limited to one representative and a Union staff member, to discuss matters of grievance and/or provisions of this Agreement.

Upon written request from the Union, Management may grant unpaid release time to each of two Union stewards for the purpose of attending Union training and conferences. At least sixteen (16) hours per year per steward will be available and shall only be granted with prior approval of the supervisor. Stewards must give at least 48 hours advance notice to Management of their request to attend Union training or conferences.

Regular Union business meetings shall not be held on City time and City equipment and supplies are not to be used for Union business. The City's word processor and duplication machine may be used by employee representatives of Local One upon request to the City Manager's Office. All use shall be on a case-by-case basis approved by the Manager and costs for which shall be normal and customary as that paid by any member of the general public. This privilege may be revoked at any time as deemed necessary and appropriate by the City Manager. City premises can be used for Union activities, if scheduled in advance and before or after the normal work day or during the regularly scheduled lunch break.

When an employee representative is meeting with Management in a meet and confer process or representing employees as provided in the grievance procedure of this Agreement, and when he/she has complied with the specific provisions of this Article, the employee representative shall notify his/her immediate supervisor when he/she is leaving, how much time is to be taken and when he/she expects to return. This notice shall be given at least 48 hours in advance of the meet and confer process, grievance proceeding, or any other representative activity in which the employee representative is engaged. Failure to comply with the provisions of this Article may constitute a grievance against the Union representatives.

Any Union representative shall give notice to the Department

Head, or their designated representative, when entering departmental facilities, and must make a verbal request of Management to speak to employees and/or employee representatives during the employees' normal working hours. The representative shall be allowed reasonable contact with workers on City facilities provided such contact does not interfere with the employees' work. Solicitation for membership or other internal employee organization business shall not be conducted during working time.

ARTICLE III GRIEVANCE PROCEDURES

Purpose of Grievance Procedures:

1. To promote improved employer-employee relations by establishing grievance procedures on matters, stipulated below.
2. To provide that grievances shall be heard and settled as informally as possible.
3. To enable grievances to be settled as promptly and as nearly as possible to the point of origin.
4. To afford employees individually, or through a business representative, a systematic means of obtaining considerations of questions and disputes.

Conduct of Grievance Procedure:

1. An employee may request the assistance of another person of his/her own choosing in preparing and presenting a grievance at any level of review, or may be represented by the Union, or may represent himself/herself.
2. The employee and his/her representative, if any, may use reasonable time (up to twelve (12) hours) in conferring about and presenting a grievance.
3. Any retroactivity on monetary grievances shall be limited to the date the grievance was filed in writing, except in cases where it was impossible for the employee to have had prior knowledge of an accounting error, or management action.
4. The time limits specified may be extended to a definite date by mutual agreement of the employee and the management representative.
5. Employees shall be free from reprisal for using their grievance procedure.

Matters Subject to Grievance Procedure:

Full time employees having probationary or permanent regular

status may process a personal grievance.

Probationary employees may file grievances, but not as applied to their performance rating or dismissal.

Definition:

A Grievance shall be defined as any dispute which involves the interpretation or application of this Agreement, scope of representation and such rules and regulations presently in force or as may from time-to-time be adopted by the City, and the discipline of employees including suspension, demotion, or dismissal.

The parties recognize that disputes should be resolved expeditiously at the lowest possible administrative level, notwithstanding the right and desirability of the employee or the Union to bypass any initial steps if the case involves decision making at a higher administrative level.

Grievance Procedure:

Step 1:

The employee and/or his/her representative may present the grievance personally, in writing or orally, to the immediate superior within ten (10) working days of the occurrence of the dispute or ten (10) working days from such time as the employee or Union could have been aware of the occurrence.

Step 2:

If the grievance is not resolved within ten (10) working days of the presentation under Step 1, the grievance may be submitted in writing to the Department Head or his/her designee. Such submittal to the Department Head shall be within ten (10) working days of the response by the immediate superior. The Department Head shall respond within ten (10) working days.

Step 3:

If the grievance cannot be resolved under Step 2, the Union may, within ten (10) working days of the action of the Department Head, submit a written request for a meeting with the City Manager. If no request is received in ten (10) working days, the grievance procedure ends. Upon receipt of a written request, the City Manager shall schedule a meeting to discuss the grievance with the Union within ten (10) working days. The City Manager shall render a written decision to the Union within ten (10) working days.

Step 4:

Should the matter remain unresolved in Step 3 above, either party may, within ten (10) days of the determination, request arbitration of the dispute. An impartial arbitrator shall be selected from a list of names of no less than five (5) furnished by the State Conciliation Services.

Parties who have direct knowledge of circumstances relating to the grievance may be present at the request of either party during any stage of the procedure. In the case of employees, they shall be compensated at their regular rate of pay for the actual time spent in such meeting.

The time between the steps of the procedure may be extended by mutual agreement. Failure by the employee or Union to follow the time limits, unless extended by mutual agreement, shall cause the grievance to be considered withdrawn; failure by the City to follow the time limits, unless extended by mutual agreement shall cause the grievance to be deemed settled in favor of the employee.

Either party may waive the time limits specified herein and proceed to immediate arbitration in any case where either party alleges the other is threatening to take an action in violation of this Agreement in so short a period of time as to disallow the other party from proceeding within said time limits. In any such case, the Arbitrator shall have full equitable powers to frame a decision, including an order to the party initiating the grievance to abide by the time limit threatening the action, or any other form of arbitration order that would resolve the matter in an equitable and just manner.

The decision of the Arbitrator shall be final and binding on all parties. The Arbitrator's fees shall be shared equally by the City and the Union.

ARTICLE IV LAYOFFS AND TRAINING GUIDELINES

Layoff Procedure:

In the event of a layoff, employees affected by the layoff shall receive sixty (60) days written notice. Subsequent to such notice, an employee may be provided four (4) weeks severance pay in lieu of working until the end of the sixty day notice period if the City, due to an identified performance problem with the affected employee, wishes the layoff to be effective prior to the expiration of the sixty day notice period.

Reductions in force may only take place due to lack of work, lack of funds, reorganization or the return of an employee from leave of absence. Reductions in force shall be implemented on the basis of seniority. An employee subject to layoff can "bump" a less senior employee in a classification in which he/she has formerly worked provided the jobs are substantially similar.

Training Opportunities:

When the City has given notice to an employee(s) that a layoff is pending, involving that employee(s) position(s), the

City will take reasonable steps to provide a basic training and/or orientation process which would provide the employee with the knowledge and/or skills which could be used to assist the employee in applying for promotion or transfer to a vacant, budgeted position for which the employee possesses the basic knowledge, skills and abilities or for which the employee can acquire said knowledge, abilities and skills within the sixty (60) day layoff notice period.

On-The-Job Training:

The Personnel Officer is designated as Training Officer of the City and will maintain an active training program for all employees.

Reinstatement After Layoff:

A regular employee who is laid off in accordance with these rules is entitled to preference in filling a vacancy in the class or position previously held by that employee for a period of twelve (12) months. An employee so reinstated retains all benefits accrued in prior service with the City. During the layoff, no benefits accrue and the anniversary date shall be adjusted if the layoff time exceeds thirty (30) consecutive days.

Reinstatement according to this provision, shall be done using the method of seniority, in that the last employee in a class laid off will be the first employee to be reinstated in the class, unless there is a legal question as to their reinstatement whereupon an investigation shall be conducted to determine the facts and present a decision.

Said investigation shall be conducted within a ten (10) working day period unless delayed by legal complications uncontrolled by the City. The position to which reinstatement is being considered shall be held open until a final determination is made as to the disposition of said investigation; however, said period shall not exceed one (1) full calendar month. If the employee is eligible to be replaced on the reinstatement list, they shall be replaced without loss of status on said list.

ARTICLE V HOLIDAYS AND VACATIONS

Holidays:

January 1	(New Year's Day)
Third Monday in January	(Martin Luther King Jr. Birthday)
February 12	(Lincoln's Birthday)
Third Monday in February	(Washington's Birthday)
Last Monday in May	(Memorial Day)
July 4	(Independence Day)
First Monday in September	(Labor Day)
Second Monday in October	(Columbus Day)

November 11
Thanksgiving Day
Friday Following Thanksgiving
Christmas Eve Day
Christmas Day
(Veteran's Day)

Each day proclaimed by the President or Governor and Mayor of this City as a public holiday.

Computation of holidays will be done on a 37.5 hour work week.

The City and Union acknowledge that any proposed changes, additions or deletions to the above agreed-upon holidays are subject to the meet and confer requirements set forth in California Government Code Sections 3500 et seq. (the Meyers-Milias-Brown Act).

Alternate Days:

For employees whose normal work week is Monday through Friday, when a holiday falls on a Sunday, the following Monday is a holiday. If a holiday falls on a Saturday, the preceding Friday is a holiday.

Religious Observance:

A City employee who wishes to observe holidays particular to his/her race or religion may do so with the approval of his/her Department Head. This time off is charged to compensatory time or vacation.

Vacation Leave:

Full vacation leave according to the following schedule is earned by:

Full time paid status.
Eligible employees on sick or vacation leave with pay.
Eligible employees on Jury leave.

Years of Service	Vacation Days Per Year
1	12
2	12
3	12
4	15
5	15
6	15
7	16
8	16
9	16
10	18
11	18

12	18
13	18
14	18
15	21
20	23

Personal Leave:

During the term of this agreement, each employee shall be permitted to take one day off each calendar year as a personal leave day, subject to prior scheduling and approval. This day must be taken as time off, and cannot be taken as pay. In addition, this annual personal leave day does not carry over or accumulate from year to year; rather, if not taken during the calendar year, it expires.

Regardless of the employee's scheduled work hours on the day selected for personal leave, no time will be charged to his or her accrued vacation leave or compensatory time. Conversely, no time will be added to the employee's accrued vacation leave or compensatory time.

For example, if an employee is scheduled to work more than 7.5 hours on the day he or she takes as a personal leave day, the employee will not be required to charge the scheduled work time exceeding 7.5 hours to accrued vacation leave or compensatory time.

By the same token, if an employee is scheduled to work less than 7.5 hours on the day he or she takes as a personal leave day, the employee will not have credited to his or her accrued vacation leave or compensatory time the difference between 7.5 hours and the hours actually scheduled to work.

Guidelines for Approval:

Supervisors will establish a vacation schedule at the beginning of each calendar year. Adjustments may be requested by either the supervisor or employee, with reasonable prior notice, based on personal or organizational needs or problems; said changes, if made, shall be discussed between the supervisor and employee prior to said change being instituted. Vacation time shall be taken in one (1) day increments with prior approval of supervisor. Requests for vacation time off of less than one (1) day, may be approved, based upon circumstances which may be in the best interest of employees and the City.

ARTICLE VI
SICK LEAVE AND OTHER LEAVES OF ABSENCE

Sick Leave:

Beginning the first day of the month following the employee's completion of one (1) month of service, an employee earns sick leave with pay at the rate of one (1) day for each calendar month of service. Full sick leave is earned by each regular employee on paid leave of absence which includes sick leave, jury leave, and paid disability accident leave. Sick leave is not earned by an employee on unpaid leave of absence, nor by an employee on leave covered by the City's private disability plan. An employee may take paid sick leave beginning the second month of employment.

Payment for Accumulated Sick Leave:

An employee eligible to accumulate sick leave is entitled to receive on the December 5 payroll, and each December 5 thereafter, a cash payment or additional vacation for thirty-three and one third percent (33 1/3%) of the unused portion of sick leave credit accumulated during that calendar year. To qualify for payment, the employee shall have to their credit on December 5, not less than thirty (30) days of unused sick leave. The rate of pay for this purpose is the rate of pay as of December 5. The amount of time for which an employee is paid is deducted from the employee's total accumulation. An employee may elect to retain sick leave in lieu of payment. This rate applies to annual buy-back and retirement after five (5) years of service.

If an employee is terminated after five (5) years service from date of employment because of voluntary resignation, death, or abolishment of position, accumulated sick leave is paid at the rate of one (1) day for each four (4) days of unused sick leave to a maximum of twenty-five (25) days.

Medical Leave:

In the case of an employee's continued illness after the expiration of sick leave, his/her absence may then be charged to compensatory time accrued or vacation leave accrued, with the approval of the Department Head.

After a thirty (30) day waiting period, an employee may elect to apply for disability insurance. At the employee's option and with the approval of the City Manager, an employee may elect to continue the use of his/her sick leave prior to applying for disability coverage. Upon return from medical leave, the City agrees to re-enroll the employee immediately in the medical plan of his/her choice, should re-enrollment be necessary.

The City's Long Term Disability will be adjusted annually on

September 1 and will have a maximum limit of 2/3 of the top step of Building Inspector.

On-The-Job Injury Leave:

When a full-time employee is off work as the result of a valid on-the-job injury sustained in the service of the City, the City shall continue his/her pay in the amount of his/her monthly rate up to but no longer than ninety (90) calendar days for miscellaneous employees.

Family Sick Leave:

Employees may use up to six (6) days accumulated sick leave per year for purposes of attending to immediate family during difficult or extended illnesses or accident which requires medical attention from a doctor. Alternatives for care of family members should be pursued prior to requesting leave under this provision, and a copy of a written confirmation from the attending physician may be required by the Department Head which stipulates to the necessity for such care and attendance.

Family and Medical Leave:

The City will provide family and medical leave in compliance with state and federal law and any City policy adopted with respect to family and medical leave.

Definition of Immediate Family:

For purposes of this Agreement, the immediate family of an employee shall mean his/her spouse, children of either spouse, parent, grandparent, brother, sister, mother-in-law, father-in-law, brother-in-law, or sister-in-law. "Children" include biological, foster, adopted, and step-children, as well as legal wards and children for whom the employee or employee's spouse stands in loco parentis. "Parent" includes a biological, foster, or adoptive parent, a step-parent, or a legal guardian of the employee.

Jury Leave:

A regular full-time employee is entitled to receive jury leave with full pay if he/she remits to the City all compensation received from duty. Compensation for mileage is not considered compensation for jury duty. The employee may elect to retain all jury duty compensation but he/she is not entitled to salary while on jury leave.

Leave of Absence Without Pay:

A Department Head may grant an employee a leave of absence without pay for not more than ten (10) days when it is in the best interest of the City service. An example is leave for the purpose of additional job-related education or training. The City Manager must approve a leave of absence without pay which exceeds ten (10) days.

A Leave of Absence as used in this section is a privilege which may be granted to a regular employee wishing to leave the City service without pay and in good standing for a limited period. The employee must make a written request to his/her Department Head for such leave stating the date of the leave and the reason.

Maternity Leave:

Maternity Leave of Absence without pay will be granted to each employee covered by this Agreement who becomes pregnant. Such leave will begin no later than the date the employee's physician states in writing she should discontinue working, and shall be granted pursuant to the City's Maternity Leave Policy.

Maternity leave will continue until the date on which the employee's physician states in writing she is capable of returning to work, or until such time as an additional leave of absence granted by the City expires.

Bereavement Leave:

A full-time employee is allowed a leave of absence with pay not to exceed four (4) working days in the case of death of a member of the employee's immediate family. With his/her Department Head's approval, he/she may have two (2) additional working days, which are charged to sick leave or to vacation time. Further absence approved by the Department Head is charged to vacation time. False information given concerning the death or relationship shall be cause for discharge.

Military Leave

The City will grant military leave as mandated by state and/or federal law.

ARTICLE VII
MISCELLANEOUS OVERTIME PROVISIONS

Call Back:

When full-time or permanent part-time employees, within the Unit, are called back to duty after they have completed their normal work schedule or prior to beginning their normal work

schedule, or are on their day off, all hours worked during such Call Back assignment shall be paid at the rate of one and one-half (1-1/2) times the employee's normal hourly rate. A minimum of two (2) hours pay at the one and one-half (1-1/2) rate prior to or after the normal work shift is guaranteed the employee. A minimum of three (3) hours pay at the one and one-half (1-1/2) rate will be guaranteed the employee for Call Back to work between the hours of 10:00 p.m. and 6:00 a.m. The time of the call to the employee shall be the determinant of the Call Back minimum.

Stand-By Time:

Public Works Field Employees:

For all full-time employees within the unit, stand-by time shall be compensated at \$18.00 flat rate of pay for each sixteen (16) hours of week day stand-by time; \$29.00 flat rate of pay for each twenty-four (24) hours of weekend or holiday stand-by time.

Stand-by time for weekends will be reduced to \$18.00 if the assigned employee is called back to work four (4) hours or more within the twenty-four (24) hour period.

Compensatory Time:

An employee may accumulate up to sixty (60) hours of overtime worked at the rate of one and one-half (1-1/2) times which may be taken off as scheduled and approved by their supervisor. This computation is in accordance with the Fair Labor Standards Act.

All overtime above sixty (60) hours will be automatically paid for within the next earliest pay period.

ARTICLE VIII WORK SCHEDULES

Work Week:

Clerical employees work an average of thirty seven and one-half (37-1/2) hour work week with no reduction in monthly pay based on a seven and one-half (7-1/2) hour work day on Monday; eight (8) hour work day Tuesday through Wednesday; nine (9) hour work day on Thursday; and five (5) hour work day on Friday.

Maintenance employees work an average thirty-seven and one-half (37- 1/2) hour work week with no reduction in monthly pay based on four (4) days of eight and one-half (8-1/2) hours, Monday through Thursday; three and one-half (3-1/2) hours on Friday.

Building Inspectors and Construction Inspectors work 37.5 hours a week, and schedules are set by mutual agreement with

supervisor.

There shall be no change in the regular work schedules solely to avoid the payment of overtime or compensatory time unless mutually agreed by the employee and supervisor.

No formal coffee breaks will be allowed to any member of Bargaining Unit "C".

Overtime:

The City shall pay overtime at the rate of one and one-half (1-1/2) time for all overtime worked above an employee's normal work day or work week schedule. (Normal is considered as those schedules shown above.) The following provisions shall apply.

Work day - Overtime shall apply if time worked is one-tenth (1/10th) of an hour above or before the normal starting or ending time of the employee work day.

Work week - Overtime shall apply if time worked is on the sixth (6th) day of the employee's normal work week schedule.

Double time and One-Half Provision - Overtime shall be paid at the rate of two and one half (2-1/2) times the employee's hourly rate for work performed on a regularly scheduled holiday. Pay shall be in lieu of holiday.

Overtime Scheduling

There will be two types of overtime: emergency overtime and scheduled overtime. The City will make the effort to dispense overtime equally whenever possible; however, the City retains the right to determine who will be called to respond to emergencies based on the nature of the emergency.

Scheduled overtime will be dispensed from a rotating list of eligible and qualified employees. The employee at the top of the list will be called first. Once he or she completes the overtime assignment (or the next person[s] complete the overtime assignment, if the first person is not available for scheduled overtime), that person's name will be moved to the bottom of the list. If an employee for the assignment is not available, mandatory scheduled overtime will be initiated using the least senior, qualified person.

Clean Up Time:

Whenever it is essential for employees occupying labor, trades, or craft positions to clean up and/or change clothes before being presentable upon leaving work, said employee shall be allowed five (5) minutes of City time to clean up or change clothes. This provision does not apply to overtime work nor is the time considered a guaranteed five (5) minutes each and every work day.

Meal Periods:

Meal periods are scheduled during the employee's work day to coincide with the employee's work hours. Normally, a meal period is not less than thirty (30) minutes nor more than one (1) hour. Meal periods will be based on work schedules and the City's operational needs at each particular work site.

Meal Cost Reimbursements:

Employees shall be reimbursed in certain instances for meal costs. The requirements for meal cost reimbursement and the procedure for obtaining such reimbursement are set forth in departmental rules and regulations.

Compensatory Time Off:

For purposes of computation of compensatory time off, sick leave and vacation leave, the regular work day shall be deemed to be seven and one-half (7-1/2) hours.

Varying Hours:

Employees within the unit are permitted the opportunity to discuss varying their hours within a given work day due to their personal needs or problems. These requests have been handled on a case-by-case basis between supervisor and the employee, with the final decision being made by the supervisor. The City will continue this practice keeping in mind that the supervisor must be concerned about the City's needs and problems in managing their daily business. This practice is for meeting temporary or emergency situations.

ARTICLE IX**WAGE PLAN ADMINISTRATIVE PROCEDURES****Applicable Pay Rates Following Promotion:**

When promoted, an employee shall begin at Step A or one (1) step higher than his/her current salary, whichever is higher. The new anniversary is the date of promotion. Upon recommendation of the Designee and approval of the City Manager, an employee may be considered for a higher step upon promotion if their experience, longevity and value to the City would merit such an increase.

Applicable Pay Rates Following Demotion:

In the case of a demotion to the position with a lower maximum salary, an employee shall be assigned to a pay step that is the same as, or less than, the step they held in the higher position. Placement within the rate shall be determined by the City Manager. An employee shall retain their previous anniversary date.

Applicable Pay Rates Following Transfer:

Where an employee is transferred from one position to another in the same class or to another class to which the same pay range is applicable, the employee retains the same pay step and anniversary date.

Applicable Pay Rates Following Salary Range Increases and Decreases:

Where a pay range is revised upward or downward, the incumbent of a position in the affected class is entitled to a pay adjustment to the same relative step in the new pay range. The anniversary date does not change.

Pay Status:

Pay status can be defined as the period in which an employee is at work, on vacation, sick leave, compensation leave as a result of an industrial accident, leave with full pay in lieu of temporary disability benefits, compensatory time off, administrative leave, paid temporary military leave of absence, or on an approved leave of absence with full pay.

Premium Pay for Employees in "Acting Capacity":

An employee who is temporarily assigned duties outside his/her assigned job classification for more than four (4) consecutive working days shall, upon City Manager approval, be paid a five percent (5%) differential based upon the employee's regular rate of pay, which differential shall be made retroactive to the first (1st) day the employee began performing said duties. Employees who are temporarily assigned duties outside their assigned job classifications for four (4) or fewer consecutive working days shall not be paid any differential.

ARTICLE X
LONGEVITY PAY PLAN

Longevity pay shall be provided to employees as follows:

Employees fifty-five (55) years of age with ten (10) full years of City service shall be given a five percent (5%) benefit computed on their normal monthly base salary.

Employees sixty (60) years of age with fifteen (15) full continuous years of City service shall be given an additional five percent (5%) benefit computed on their normal monthly base salary.

Twenty (20) year employees regardless of age, upon presenting to the Personnel Officer, the State P.E.R.S. declaration of intent to retire within the following twelve (12) months, shall be given an additional seven percent (7%) benefit computed on their normal monthly base salary. This seven percent (7%) shall be effective twelve (12) calendar months before the declaring employee's last date of employment.

Such benefit shall be used to compute any other benefit such as overtime, but will not be used in computing final retirement benefits as determined by the Public Employees Retirement System and provided for in the City's contract with P.E.R.S.

ARTICLE XI **BENEFIT PLANS**

The City agrees to provide medical, dental, orthodontia, life and disability benefits plans through the term of this Agreement and the City will contribute premiums for such plans in accordance with the following schedule:

Medical:

The City agrees to pay one hundred percent (100%) of the cost of employee and dependent(s) health insurance coverage up to an amount equivalent to the family rate of the two least expensive medical plans with the employee paying the difference if another plan is opted.

Changes in enrollment may only be made during each plan's open enrollment period. Open enrollment is currently the month of September.

Dental:

The City will pay for a Delta Dental Insurance Plan which offers \$1,000 per person annual maximum. The plan provides 100% diagnostic and preventative benefits; 80% basic benefits, crowns,, jackets and cast restoration benefits; prosthodontic benefits at 80%. There is a \$10 deductible per eligible person, aggregate maximum per family deductible of \$30.

Orthodontia:

The City will provide, at no cost to the employee, orthodontia coverage with a maximum lifetime benefit of \$1,000 provided to each employee and dependent covered under the City's dental plan.

Vision Plan

The City agrees to provide employees in Bargaining Unit "C" and their dependents with a vision insurance plan that will allow one examination, and one pair of eye glasses or one pair of contact lenses on an annual basis.

Life Insurance:

The City shall pay the total cost of life insurance in the amount of \$50,000. Additionally, the City will provide employees the option to increase such coverage provided that the cost of such increase shall be borne by the employee. However, the City reserves the right to change carriers if premiums become excessive.

Disability Insurance:

City agrees to continue to pay total cost of Disability Insurance Plan, sixty-six and two-thirds percent (66-2/3%) of salary plan, for length of Agreement. However, City reserves the right to change carriers if premium becomes excessive. The elimination period shall be thirty (30) days. A woman unable to work for pregnancy related reasons is entitled to disability and/or sick leave on the same basis as employees unable to work for other medical reasons due to off-the-job disability.

ARTICLE XII
EDUCATIONAL INCENTIVE

The City agrees to continue the educational incentive to employees within the unit as follows:

- a. The course or courses taken must relate to the employee's job or be a part of a degree program which has application to City service and be approved by the Department Head.
- b. During the period such courses are taken, the employee will receive monthly compensation equal to \$10.00 multiplied by the number of credit units taken up to a maximum of six (6) units during any semester or quarter of study. In addition, the City will agree to reimburse the employee for tuition and books up to a maximum of \$175.00 per semester or quarter.
- c. Employees receiving this temporary educational incentive shall keep their Department Head informed of their enrollment status and shall be required to submit verification that they successfully completed the course(s) with a minimum "C" grade.

ARTICLE XIII
PERFORMANCE EVALUATION

Annual Review:

The City will continue to use an annual performance evaluation. Performance evaluations will be made once a year no later than fifteen (15) days following the employee's anniversary date.

All performance evaluations shall be signed by the employee indicating knowledge of the evaluation and that said evaluation is being placed in the employee's personnel file.

If the employee receives an evaluation of "below standard" on six of the twelve categories, his or her salary may be reduced up to 7% for a one year period upon recommendation of the Department Head and approval of the City Manager.

No employee shall receive a "below standard" overall evaluation without first receiving a direct oral or written warning of the need for improvement. Upon written request, an employee shall receive a second evaluation within ninety (90) days after an unfavorable evaluation.

Bonus Plan:

An employee who is at the top of their range may receive a "one time" bonus for a twelve month period of up to 7% upon the completion of the annual evaluation by their Department Head. The bonus will be recommended by the Department Head to the City Manager for evaluation and approval. The annual evaluation must have a rating "above standard" in 6 of the 12 categories listed. The evaluation form will be provided by Personnel and may be revised by the City Manager and Personnel, as the need arises. Should the bonus be earned by the employee as evaluated and recommended by the Department Head and approved by the City Manager, the bonus shall not exceed 7% and shall be eliminated after twelve months. The bonus will not be paid in cash; it will be contributed to the 457 Deferred Compensation plan only.

ARTICLE XIV
SALARY ADMINISTRATION

Salary Increases

Effective September 1, 2001, base salaries for all City employees covered by this Memorandum of Understanding shall increase by 6.6%, the annual percentage difference in the Consumer Price Index ("CPI") as of June 30, 2001 for all urban workers (not seasonally adjusted) for the San Francisco-Oakland-San Jose metropolitan area.

Effective September 1, 2002, and for each succeeding year for

the term of this Agreement, base salaries will be increased by the greater of the following:

(A) ninety percent (90%) of the annual percentage difference in the CPI as of June 30 of each year for all urban workers (not seasonally adjusted) for the San Francisco-Oakland-San Jose metropolitan area, as reported by the United States Department of Labor, Bureau of Labor Statistics; OR

(B) two and one-half percent (2.5%).

For example, if the annual percentage difference in the CPI on June 30 of a particular year for all urban workers (not seasonally adjusted) for the San Francisco-Oakland-San Jose metropolitan area is 4.6%, then the salary increase for that year would be ninety percent of 4.6%, or 4.14%.

However, if the annual percentage difference in the CPI on June 30 of a particular year for all urban workers (not seasonally adjusted) for the San Francisco-Oakland-San Jose metropolitan area is 2.6%, then the salary increase for that year would be the 2.5% minimum, since ninety percent of 2.6% is 2.43%, which is below the guaranteed minimum increase of 2.5%.

Pesticides Certificate:

Each employee who holds a certificate from the State in Pesticide Spray Operation will earn a 2% salary differential.

The City shall provide employees paid release time to attend classes to fulfill the requirements for certification. The City shall reimburse employees for the cost of such classes. Additionally, the City shall reimburse employees for the cost of obtaining certification and/or renewal.

Fleet Services Coordinator "Backup":

An employee who is assigned and performs vehicle and/or non-routine equipment repair shall be entitled to a 5% salary differential in addition to his/her base salary. This differential shall be authorized by the Maintenance Superintendent through a Personnel Action Form. The 5% will be paid on all hours worked and not just when performing vehicle and non-routine equipment repair.

ARTICLE XV NO STRIKES OR LOCKOUTS

No lockout of employees represented by the Union shall be instituted by the City during the term of this Agreement. The Union agrees that during the term of this Agreement, neither Union Staff or City Employees shall engage in or support strikes by not crossing another Union picket line, work stoppages, slow downs, boycotts, or other direct or indirect work actions against the

City. Any employee participating in these prohibited activities may be disciplined by the City.

ARTICLE XVI
FULL AGREEMENT

It is understood this Agreement, including Exhibit "A" which is attached hereto and incorporated herein by reference, represents a complete and final understanding on all negotiable issues between the City and the Union. This agreement supersedes all previous Memoranda of Understanding or Memoranda of Agreement between the City and the Union except as specifically referred to in this Agreement. The parties, for the term of this Agreement voluntarily and unqualifiedly agree to waive the obligation to negotiate with respect to any practice, subject or matter not specifically referred to or covered in this Agreement even though such practice, subject or matter may not have been within the knowledge of the parties at the time this Agreement was negotiated and signed. In the event any new practice, subject or matter arises during the term of this Agreement and an action is proposed by the City, the Union shall be afforded notice and shall have the right to meet and confer upon request.

ARTICLE XVII
SAVINGS CLAUSE

If any provision of this Agreement should be held invalid by operation of law or by any court of competent jurisdiction, or if compliance with or enforcement of any provision should be restrained by any tribunal, the remainder of this Agreement shall not be affected thereby, and the parties shall enter into a meet and confer session for the sole purpose of arriving at a mutually satisfactory replacement for such provision within a thirty (30) work day period. If no agreement has been reached, the parties agree to invoke the provision of impasse under City Resolution No. 25-77.

ARTICLE XVIII
SICK LEAVE CREDIT TOWARD RETIREMENT

Unused sick leave upon retirement will be paid to a maximum of twenty-five (25) days, with balance applied to retirement credits or total sick leave balance may be applied to retirement credits.

ARTICLE XIX
RETIREMENT

Retirement Benefits:

The City will continue to provide retirement benefits under the City's present contract with the Public Employees Retirement System. The City will pay the full seven percent (7%) of employee's contribution to State P.E.R.S. The City will provide the single highest year retirement benefit through the State P.E.R.S.

If and when legislation is enacted establishing optional 2% @50 and 3% @60 retirement benefits under P.E.R.S., the City agrees to discuss with Bargaining Unit "C's" representatives the possibility of amending the City's contract with P.E.R.S. to include these benefits.

Medical Upon Retirement:

An employee who has worked with the City of Pleasant Hill for 20 or more years and who elects to take a service retirement will be permitted to convert 75% of their accumulated sick leave at 100% of their pay towards medical premiums for the payment of an individual plan only. These payments are non-transferable to a spouse or family member. The remaining 25% of accumulated sick leave for an employee of the City of Pleasant Hill can be (a) converted to cash up to a maximum of 200 hours and/or (b) applied to their retirement. An example would help illustrate the offer:

For example, an Account Clerk had 800 hours of sick leave on the books at retirement. Under the improved plan, the employee would convert 75% of his/her sick leave (600 hours) at 100% of his/her pay, (\$2582 per month), which would result in 68.04 months (5.67 years) payments of medical premiums for an individual for the Kaiser Plan.

The medical payment upon retirement program being provided to Local One is a sick leave conversion program, which will be made available to members of Local One who have worked with the City of Pleasant Hill for 20 years upon their election for a service retirement. All medical payments will be made out of this pool of "set-aside" funds until this pool is exhausted, at which time all payments by the City will cease.

Sick Leave Credit:

The City of Pleasant Hill will provide a credit program for sick leave annually. These credits will be kept by Personnel to be applied in the event that the employee remains with the City for 20 years and elects a service retirement. These credits will be based upon a calendar review of the amount of sick leave used by employees in this unit. Each employee earns sick leave at the rate of 12 days per calendar year. If, for example, an

employee used 2 days of sick leave in one calendar year, that employee would be provided with 10 units of credit to be used for medical premium payments in the event they remain with the City for 20 years, and upon election of a service retirement. Each unit of credit will equal 1 day of equivalent gross salary at the salary level of that employee on the last day they work before electing a service retirement.

Study of Retiree Medical Coverage

The City has begun a research study of possible options for providing retiree medical coverage to City employees upon their retirement. Following the City's research and investigation of alternative plans providing retiree medical coverage, the City shall invite the representatives of each of the City's bargaining units, including Local 1, to participate in a joint committee to discuss the City's research findings. This joint committee, which shall be established no later than August 31, 2002, and shall be composed of representatives of Local 1, PACE, the Police Association, and management, shall attempt to reach a plan regarding implementation of a retiree medical coverage plan for City employees upon their retirement.

ARTICLE XX DEFERRED COMPENSATION

Deferred Compensation - In Lieu of Medical:

Each employee shall have the option of making monthly contributions to the City's Deferred Compensation Plan. Upon proof to the Personnel Officer of medical coverage from another source, employees may elect to have the City pay \$200.00 per month in their behalf into the City's Deferred Compensation Plan in lieu of City's contribution to employee's medical plan.

Deferred Compensation:

Employees may elect to defer up to the maximum allowed by law to the City's 457 Deferred Compensation plan.

IRS 125 Plan:

Dependent care and out-of-pocket medical costs may be paid on a pre-tax basis. Administrative cost up to \$8 per person per month will be shared equally by the City and employee participant. Any administrative cost beyond this amount will be paid by the City.

401(a) Money Purchase Plan

The City will contribute up to 3% into an employee's 401(a) Money Purchase Plan, so long as the employee contributes a matching amount. No City contribution will be made if the employee chooses not to contribute.

ARTICLE XXI
JOB ANNOUNCEMENTS

City will designate official bulletin boards and post by memorandum or formal job announcement all examination processes for a period of at least five (5) days in advance. Space for Union notices shall be provided on these bulletin boards.

ARTICLE XXII
MISCELLANEOUS

Protective Apparel Allowance

The City shall allot a protective apparel allowance of up to \$150 per year to each employee in Bargaining Unit "C." This allowance is to be used for the purchase or repair of protective boots, shoes, hats, or any other protective apparel the employee would be required to wear while on the job that is not already supplied.

Procedure for reimbursement: The employee shall bring the protective apparel and purchase receipt to management for approval. Guidelines for approval shall be set forth in departmental rules and regulations.

Temporary and Part-Time Employees:

This Agreement does not apply to Temporary Employees or Part-time Employees.

Conversion of Permanent Positions to Part-Time:

If any positions currently in Bargaining Unit "C" are converted to Part-time permanent, all such positions shall continue to be covered by this M.O.U.

Required Class II(B) Driver's License:

Employees who are required to obtain and/or renew a Class II (B) driver's license shall be permitted to obtain and renew such license on work time provided that arrangements are made in advance with the supervisor. Additionally, the City shall pay the cost of any medical examinations and any licensing fees to the extent these costs or fees exceed the costs or fees of obtaining a regular (Class C) driver's license.

ARTICLE XXIII
CLASSIFICATIONS WITHIN UNIT "C"

The City recognizes the Union as the sole and exclusive representative for the General Employee Bargaining Unit "C" consisting of the following classifications, as well as any new classifications which may be assigned to this representation unit by the City Manager:

Account Clerk, Fleet Services Coordinator, Maintenance Worker I, Maintenance Worker II, Building Inspector, Construction Inspector, Building Trades Worker I and Building Trades Worker II.

The current salary ranges for the classifications within Unit "C" are listed on Exhibit A.

ARTICLE XXIV
PROMOTION SELECTION PROCESS

The City will take all reasonable steps to avoid the use of City employees as oral board raters when a promotional selection process is administered. This action shall not restrict the City from use of City employee oral board members if circumstances prevail necessitating such use as deemed appropriate by City management. Also, the intent of this letter shall not restrict City management from using City employees in an administrative capacity in any or all parts of a Selection Process.

This letter of intent does not relate to the final interviews conducted by City management prior to actual promotion offers made by Management on behalf of the City of Pleasant Hill.

Positions will be posted internally for a minimum of two weeks. If there are fewer than three (3) internal applicants, City may then post externally.

Among the qualified applicants for the position, length of City service, merit and ability will be factors in the employee's behalf in making the appointment.

ARTICLE XXV
EMPLOYEE RIGHTS

Employees shall have the right to Union representation upon request at disciplinary or investigatory meetings. Records of discipline shall be removed from an employee's file in accordance with the following schedule, provided there has been no recurrence within the stated time:

Written reprimands - two (2) years. Suspensions of one day - three (3) years. More serious discipline - no scheduled removal.

The Probation Period for new employees shall be twelve (12) months, regardless of the new employee's starting salary step. In the case of new employees starting at "A" step, however, the employee shall receive a step increase to "B" step after six (6) months, **provided** the employee's performance is rated no lower than "meets standard" in all categories; the employee's probation shall continue for the remainder of the twelve (12) month probationary period regardless of whether the employee's salary is increased from Step "A" to Step "B."

The Probation Period shall be six (6) months for current employees who have already completed an initial probation in another City of Pleasant Hill position.

ARTICLE XXVI
CITY RIGHTS CLAUSE

It is understood and agreed that the City retains all of its powers and authority to manage municipal services and the work force performing those services subject to the provisions of this understanding and applicable law.

It is agreed that during the term hereof the City shall not be required to meet and confer on matters which are solely a function of management, including the right to:

- Determine and modify the organization of City government and its constituent work units.
- Determine the nature, standards, levels, and mode of delivery of services to be offered to the public.
- Determine the methods, means and the numbers and kinds of personnel by which services are to be provided.
- Determine whether goods or services shall be made or provided by the City, or shall be purchased, or contracted for.
- Direct employees, including scheduling and assigning work, work hours, and overtime.
- Establish employee performance standards and to require compliance therewith.
- Impose discipline subject to requirements of applicable law.
- Implement rules, regulations, and directives consistent with law and the specific provisions of this MOU.
- Take all necessary actions to protect the public and

carry out its mission in emergencies.

Decisions under this Article shall not be subject to the grievance procedure except as provided elsewhere in the MOU. Nothing in this Article shall relieve the City of its obligation to meet and confer on the impact of the exercise of rights enumerated herein to the extent that they are within the scope of representation and subject to meet and confer under Meyers-Miliias-Brown Act.

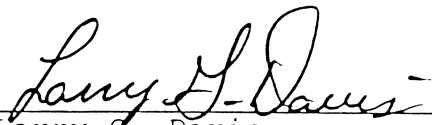
ARTICLE XXVII
TERM OF AGREEMENT

This Agreement shall take effect September 1, 2001 and shall continue in full force through midnight, August 31, 2006.

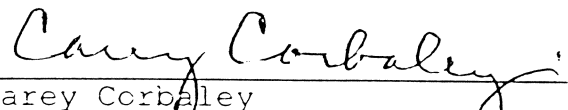
AS WITNESSED HERETO by the following parties:

FOR PUBLIC EMPLOYEES UNION,
LOCAL ONE:

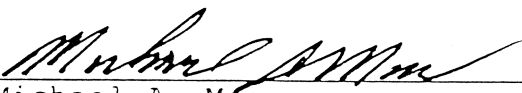
FOR THE CITY OF PLEASANT
HILL:



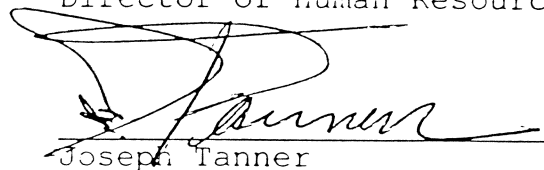
Larry G. Davis
President, Pleasant Hill Chapter



Carey Corbaley
Director of Human Resources



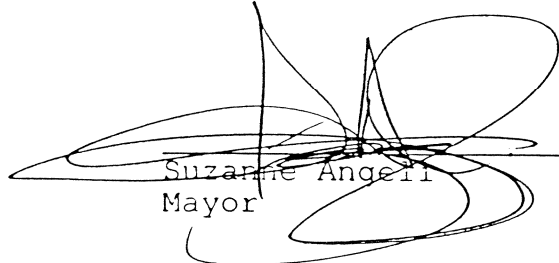
Michael A. Moore
Alternate Negotiator,
Pleasant Hill Chapter




Joseph Tanner
City Manager



Chuck Egbert
General Manager



Suzanne Angell
Mayor



Don Lewis
Business Agent

APPROVED AS TO FORM:



Debra S. Margolis
City Attorney

EXHIBIT "A"

CITY OF PLEASANT HILL
PUBLIC EMPLOYEES UNION, LOCAL #1

EFFECTIVE 9/1/01 - 6.6%

RANGE	A	B	C	D	E	F	POSITION
50	2585	2755	2894	3039	3189	3348	
55	2652	2827	2965	3114	3268	3434	
60	2723	2894	3039	3187	3352	3517	MAINT. WORKER I/BLDG. TRADES WORKER I
65	2784	2959	3107	3263	3429	3596	ACCOUNT CLERK
70	2850	3039	3189	3350	3516	3690	
75	2919	3107	3263	3429	3596	3776	
80	3054	3247	3409	3580	3761	3948	MAINTENANCE WORKER II
85	3066	3263	3429	3596	3776	3964	
90	3153	3348	3514	3690	3875	4068	
95	3187	3427	3596	3776	3964	4162	
100	3341	3549	3728	3914	4112	4314	
105	3378	3596	3776	3964	4162	4366	
110	3541	3761	3948	4147	4352	4571	
115	3549	3776	3964	4162	4366	4587	
120	3643	3875	4068	4271	4487	4712	BUILDING TRADES WORKER II
125	3727	3963	4161	4367	4588	4817	FLEET SERVICES COORDINATOR
130	3822	4068	4271	4487	4911	4948	
135	3978	4246	4457	4684	4916	5162	
140	4020	4271	4487	4712	4948	5191	
142	4042	4313	4529	4754	4994	5245	BLDG./CONSTRUCTION INSPECTOR
145	4100	4366	4587	4817	5060	5311	
150	4187	4457	4684	4916	5162	5423	
155	4312	4587	4817	5060	5311	5578	
160	4425	4711	4948	5192	5455	5727	
165	4576	4916	5162	5423	5691	5973	
170	4645	4948	5192	5455	5927	6011	

